



# UAV Operators Insurance Policy

## ABOUT THIS POLICY

### Documentation

This document, the **schedule** and any **endorsements** attaching to this document and / or **schedule** constitute the **policy**, which is the insurance contract and sets out the terms of this insurance between **you** and the **insurer**.

### Your compliance with Policy Terms

**You** must comply with the terms of this **policy**. Failure to comply with the terms of this **policy** may result in **your** claim being refused or reduced where that claim has been affected by **your** failure to comply.

### Defined Terms

Certain words or phrases in this **policy** have specific meaning as defined within this **policy** and wherever these words appear in bold in this **policy** the defined meanings shall apply. These defined words or phrases can be found under the Definitions **section** of this **policy**.

### Understanding this Policy

This **policy** must be read by **you** in its entirety as conditions, exclusions and other limitations apply.

The **policy** is made up of different classes of insurance, which are set out in separate **sections** of this **policy** with specific terms applying to each **section** separately in addition to general terms applying to all the **sections**.

**Your** attention is also drawn to the warranties contained in this **policy** (see the Warranties applicable to this Policy **section** in this **policy**).

The cover **you** have purchased or not purchased under this **policy** is shown in the **schedule**.

**You** must ensure that the cover **you** have purchased under this **policy** is adequate for **your** needs.

If **you** think there is a mistake in or a change needs to be made to this **policy**, then **you** must immediately notify **your insurance broker**.

### How to make a Claim

In the event of a claim or potential claim or **occurrence** or incident or circumstances likely to give rise to a claim, please refer to Claims Notification, General Condition 7.

There are further obligations imposed on **you** under this **policy** in respect of claims, **occurrences** or incidents or circumstances likely to give rise to a claim. These can be found under the General Conditions **section** of this **policy** and where applicable, other **sections** of this **policy**.

### Questions and concerns about this Policy and how to make a Complaint

The **insurer** is committed to providing its insureds with a high standard of service, giving due regard to their interests and treating them fairly at all times.

Any enquiry or complaint relating to this **policy** should be referred to Delta Insurance New Zealand Limited in the first instance.

If this does not resolve the matter or **you** are not satisfied with the way the enquiry or complaint has been dealt with, **you** should write to:

Lloyd's General Representative in New Zealand  
C/O Hazelton Law  
Level 3  
101 Molesworth Street  
P O Box 5639  
Wellington New Zealand

## Privacy Statement

Your Privacy is important. You need to read the Privacy Statement which explains, amongst other things, how the **insurer** collects, handles, and discloses **your** personal information in order for the **insurer** to provide and inform you about the **insurer's** insurance and insurance related services. To do this the **insurer** may disclose your personal information to service providers, agents and others in accordance with the Privacy Statement.

The **insurer** is committed to protecting the privacy of **your** personal information. That commitment is reflected in the **insurer's** compliance with the Privacy Act 1993. This Privacy Statement outlines how the **insurer** collects, discloses and handles **your** personal information as defined in the Act.

The **insurer** will, with **your** help, keep **your** personal information accurate, complete and up-to-date. The **insurer** may collect **your** personal information through other entities for example **your insurance broker**. Personal information includes **your** name, address, contact details, skills and experience, professional licenses and affiliations, age or occupation and **your** insurance history. The **insurer** collects this information for all purposes in connection with this insurance cover, including considering **your** request for insurance, underwriting, assessing and paying claims or other insurance purposes, evaluating any future insurance applications, communicating with customers and compiling statistics.

The **insurer** will provide **your** personal information to a third party if required by law. If necessary the **insurer** may also disclose **your** personal information to a third party, including the **insurer's** service providers and agents engaged to deliver the **insurer's** services or carry out certain business activities on the **insurer's** behalf, when processing a claim, confirming information, administering this **policy** and where customer research is conducted by or on behalf of the **insurer**. It may also be disclosed to **your insurance broker**.

Intended recipients of the information include Delta Insurance New Zealand Limited, the **insurer** and other group companies, Lloyd's, other insurance companies, Lloyd's brokers, claims assessors, legal, accounting and other professional advisers, and consumer research organisations.

The information is collected and held by Delta Insurance New Zealand Limited who **you** can contact about **your** personal information by post to The Managing Director, Level 57 Fort Street, Auckland 1010, PO Box 106276, Auckland 143. Due to the global nature of the **insurer's** business, for the purposes set out above, **your** personal information may be transferred to parties located in other countries, for example, the United Kingdom. Where personal information is disclosed overseas, in addition to any local data privacy laws, the **insurer** will ensure that **your** personal information continues to be held and used by the overseas recipient in accordance with the requirements of the Privacy Act 1993 and any other applicable laws and regulations.

In dealing with the **insurer**, **you** agree to the **insurer** using and disclosing **your** personal information as set out above, unless you tell the **insurer** otherwise. You have rights of access to, and correction of, this information subject to the provisions of the Privacy Act 1993. If further information is required please visit Delta Insurance New Zealand Limited's Privacy notice on its website.

## Law and Jurisdiction

The law of New Zealand applies to this **policy** and the New Zealand Courts have exclusive jurisdiction in any dispute.

## Trading Sanctions / Restrictions

The **insurer** shall not provide any benefit under this **policy** to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

## Disclosure and Accuracy of Information

**You** must take care to give accurate and complete information relating to the insurance provided by this **policy**.

If **you** become aware that the information **you** have given to the **insurer** is inaccurate or incomplete or **you** have any particular concerns about any of the information **you** have provided or should provide, before or during the **period of insurance**, then **you** must advise **your insurance broker**.

If the information **you** have given the **insurer** in relation to this insurance proves to be inaccurate or incomplete, then the **insurer** may:

- amend the terms of this **policy**, which may be applied as if they were already in place prior to any claim, or
- reduce the amount the **insurer** pays on a claim in the proportion the premium paid bears to the premium the **insurer** would have charged **you** had the information not been inaccurate or incomplete, or
- treat this **policy** as if it never existed, which means no claims will be paid and the premium paid under it will be returned to **you**. This will only be done if this insurance would not have been provided if the information given had not been inaccurate or incomplete.

If the **insurer** establishes that **you** deliberately or recklessly provided false or misleading information in relation to the insurance provided under this **policy**, the **insurer** will treat this insurance as if it never existed, which means no claims will be paid and the **insurer** will not return the premium. If this happens the **insurer** will advise **you** in writing at **your** address shown in the **schedule** via **your insurance broker**.

### Change in Risk Information

If:

- the information **you** have given the **insurer** in relation to the insurance provided under this **policy** changes; or
- there is any significant change in or variance of the risk(s);

before or during the **period of insurance** then the **insurer** needs to know as it may result in:

- the **insurer** applying different terms; and / or
- a claim not being paid (in whole or in part); and / or
- the **policy** no longer being suitable to meet **your** needs.

To enable the **insurer** to assess any such changes or variations in information and / or risks **you** must tell the **insurer** as soon as is reasonably practicable of any such changes or variations. This can be done by advising **your insurance broker**.

### Cancellation of this Policy

#### 1 Cancellation during the first fourteen (14) days

If the insurance provided under this **policy** does not meet **your** requirements and no claim has been made under this **policy** and **you** are not aware of any potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy**, **you** can cancel this **policy** within fourteen (14) days of:

- the start date of this insurance as shown under the **period of insurance**, or
- the date **you** received this **policy**,

whichever is the later.

In exercising **your** right to cancel in this way, **you** withdraw from this contract of insurance from the start date as shown in the **period of insurance** and the **insurer** will return to **you** the premium paid.

**You** can do this by advising **your insurance broker** and returning this **policy** to them.

## 2 Cancellation in other Circumstances

### (a) Cancellation by you

**You** can cancel this **policy** during the **period of insurance** by giving thirty (30) days' written notice to **your insurance broker**.

If **you** cancel this **policy** and a claim has not been made under this **policy** and there is no known potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy**, the **insurer** will return a pro rata portion of premium paid in respect of the unexpired **period of insurance**.

### (b) Cancellation by the insurer

The **insurer** may cancel this **policy** if:

(i) **you** provide any information that proves to be inaccurate or incomplete (see Disclosure and Accuracy of Information Notice in this **policy**).

(ii) there is a change or variation in the risk which means:

- the **insurer** can no longer provide the insurance cover under this **policy** and will cancel the **policy** by giving **you** thirty (30) days' written notice via **your insurance broker**. The cancellation will take effect thirty (30) days after the day **you** are notified of the cancellation and the **insurer** shall return the premium paid for the unused **period of insurance**, or
- the extent of the change or variation makes the risk unacceptable to the **insurer** and the **insurer** cannot continue to insure **you** for any further period, the **insurer** will cancel the **policy** by giving **you** immediate notice via **your insurance broker**. The cancellation will take effect on the day **you** are notified of the cancellation and the **insurer** shall return the premium paid for the unused **period of insurance**.

In accordance with the Change in Risk Information condition under this Notices **section** the **insurer** may not pay any claim where that claim arises from or relates to a change or variation in risk.

(iii) **you** make a claim under this **policy** through concealment, misstatement or by recklessly or deliberately providing false information (see Fraudulent Claims, General Condition 9), then the **insurer** will cancel this **policy** with immediate effect from the date the fraud was committed, and will notify **you** of the cancellation in writing at **your** address shown in the **schedule** via **your insurance broker**.

In addition to the above Cancellation of this Policy Notice, **your** attention is also drawn to the following cancellation and termination conditions in:

- 1 Extension 1, Strikes, Malicious Acts and Hi-jack Coverage applicable to Sections 1 and 2 of this **policy**.
- 2 Paragraph 4 (b) of Section 3 of this **policy** – Review and Cancellation applicable to Coverage 4 - war and related perils.

Coverage 4 – war and related perils - shall also terminate automatically in certain circumstances as detailed in paragraph 4 (a) in Section 3 of this **policy**.

There will be no return of premium in respect of any **UAV** or **UAV spares** on which a claim is paid or is payable under this **policy**.

### Agreement to Insure

This **policy** is an insurance contract between the **insurer** and **you**.

Provided the premium has been paid by you in accordance with the terms of this policy, the insurer shall provide the insurance in accordance with the terms of this policy.

A person who is not a party to this **policy** shall have no right to enforce any of its terms.

## Definitions

### activities covered

**Business** and / or **commercial** activities including **continuation flying** as shown in the **schedule**.

### annual aggregate

The total amount the **insurer** will pay as claims under this **policy** during the **period of insurance**. If the **period of insurance** exceeds one (1) year, the annual aggregate will be increased proportionately by the ratio that the excess period bears to the **period of insurance**. The same method will be conversely applied for any **period of insurance** less than a year.

### bodily injury

Physical injury including death resulting from such injury but excluding nervous shock or psychological injury unless accompanied by and directly caused by such physical injury to the same individual.

### business

**Your** use of the **UAV** in the usual course of **your** work and / or work duties excluding **commercial** activities.

### commencement of the operation of fitting it to

From the moment the property ceases to be in contact with the ground or the trolley / stand on which it is located when the process of fitting it to the **UAV** is commenced.

### commercial

**Your** use of the **UAV** for the benefit of third parties, in exchange for remuneration, as identified in the information supplied to the **insurer** when applying for this insurance.

### computer virus

Programming code or series of instructions designed to achieve an unexpected, unauthorised, undesirable effect or operation when loaded onto a **system** or **ground control station**, transmitted via networks, extranets, internets or electronic mail or attachments thereto.

### confiscation

Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

### continuation flying

Use of the **UAV** for the purpose of the **UAV operator** maintaining their skill and proficiency of operation of the **UAV** for the **activities covered**, which includes participating in or on a training course for such purpose.

### deductible(s)

The amount that is to be paid by **you** and is deducted from each claim or each **occurrence** as shown in the **schedule**. If a claim is less than the deductible amount then **you** will bear all of the claim.

In the event of an **occurrence** involving more than one deductible under Section 3 of this **policy**, then if beneficial to **you**, only one deductible shall apply being the highest deductible applicable to the **occurrence**.

### detachable payload(s)

Any removable and / or interchangeable equipment from the **UAV** shown in the **schedule** that is used for photography / filming, thermal scanning or other types of survey. Such equipment is additional to the **UAV** and counted outside of the weight of the **UAV** itself.

### endorsement(s)

Any special terms and conditions added to this **policy**.

### flight(s)

Occurs from the time the **UAV** is switched on, attempts to take off, whilst in the air, and until the **UAV** completes its landing and is powered down.

### force majeure

Unusual and unforeseeable circumstances beyond **your** control, the consequences of which could not have been avoided.

**ground control station**

An interface which can be used to control / monitor single / multiple **UAV flights** during **flight**. The interface may also provide effective control of both **detachable payloads / non-detachable payloads**, potentially allowing data collated whilst in **flight** to be monitored.

**hi-jack**

Any unlawful seizure or wrongful exercise of control of the **UAV** in **flight** (including any attempt at such seizure or control without **your** consent).

Hi-jack shall include hacking and spoofing that enables third parties to take control of the **UAV**.

**insurance broker**

The party named in the **schedule** who acts as **your** agent.

**insured / you / your**

The party named in the **schedule**.

**insured value(s)**

The market value of the **UAV** (and **detachable payload** where applicable) as determined by the **insurer** at the date of the loss or damage giving rise to a claim, taking into account all material aspects including age, wear and tear, and service history.

However, it is noted that Insured Values shown in the **schedule** represent the estimated market values supplied by **you** to the **insurer** at the inception of this **policy**. The **insurer** will never pay more than these amounts.

**insurer**

Means the underwriter(s) named in Item 13 of the **schedule**.

**invasion of privacy**

Data collected from the **UAV** whilst in **flight** and subsequently made available to third parties without the consent of the party to whom the data relates, including any breach of confidentiality, infringement, or violation of any right to privacy, or of any statutes, laws and regulations associated with the confidentiality, access, control, and use of personally identifiable, non-public information.

**malicious acts**

Any malicious act including vandalism or act of sabotage.

**noise liability**

Claims for **bodily injury** and / or **property damage** arising from the noise of the **UAV** whilst in **flight**.

**non-detachable payload(s)**

Any equipment used for photography / filming, thermal scanning or other types of survey, which forms an integral part of the **UAV** and is not intended to be removed from the **UAV**.

**occurrence(s)**

An accident or a continued or repeated exposure to conditions occurring during the **period of insurance** which is neither expected nor intended from **your** standpoint. All liability arising out of such exposure to substantially the same general conditions shall be deemed to arise out of one occurrence.

**overhaul cost**

The costs of labour and materials which are or would be incurred in the overhaul or replacement (as necessary) at the end of the **overhaul life** of the damaged or similar **unit**.

**overhaul life**

The amount of use, or operational and / or calendar time which, according to the manufacturer of the **UAV** and evidenced to **you**, determines when overhaul or replacement of a **unit** is required.

**period of insurance**

The length of time for which this **policy** is in force, from the start date until the expiry date, as shown in the **schedule** and for which **you** have agreed to pay a premium.

**policy**

This document, the **schedule** and any **endorsements** attached or attaching to this document and / or **schedule**.

**property damage**

Physical loss of or damage to or destruction of tangible property only.

**section(s)**

Part(s) of the **policy** that detail(s) the insurance cover provided.

**schedule**

The part of this **policy** setting out information provided to the **insurer** that shows the insurance coverage and includes the **schedule of UAV**.

**schedule of UAV**

The **UAV** covered by this **policy** and itemised in the **schedule**.

**strikes**

Strikes, riots, civil commotions or labour disturbances.

**sub-limit(s)**

A financial limitation in this **policy** on the amount of coverage available to cover a specific type of loss. A sub-limit is part of, rather than in addition to, the limit that would otherwise apply to that loss.

**system**

Computers, other computing and electronic equipment linked to a computer, hardware, or electronic data processing equipment owned or leased by **you**, not inclusive of the **ground control station**.

**terrorism**

Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

**tethered aerostats**

A balloon, deriving its lift from the buoyancy of surrounding air, and connected to the ground at all times by a cable.

**total loss**

Physical damage to the **UAV** where in the reasonable opinion of the **insurer**:

- (a) the **UAV** is damaged to such an extent that it cannot economically be repaired; or
- (b) the cost of repairing the **UAV** is estimated to exceed the **insured value**; or
- (c) the **UAV** cannot be located fourteen (14) days after:
  - (i) the commencement of **flight** and arising from the **activities covered**; or
  - (ii) the date on which the theft was reported to the **insurer**.

**transit**

The carrying of the **UAV** and / or **UAV spares** from one location to another whilst packed in accordance with the relevant manufacturers' guidelines or the **UAV** is in a securely locked and padded UAV flight case and the **UAV spares** are in a securely locked and padded UAV spare parts case.

**UAV**

An aircraft owned by **you** or utilised under **your** care, custody, possession or control which is operated remotely without any on-board pilot, for which **you** are legally responsible, as itemised in the **schedule of UAV**. **UAV** includes any **non-detachable payload** and / or **detachable payload** where applicable and / or **tethered aerostats** but excludes kites.

**UAV operator**

The person who at all times directly manipulates the flight controls of the **UAV** and exercises direct authority over the initiation, continuation, diversion or termination of the **UAV flight**, excluding observers employed by **you**.

**UAV spares**

All equipment owned by **you** and designed to be fitted to or form part of the **UAV** and ancillary equipment exclusively associated with the **activities covered**, including the **ground control station** and **detachable payload**, excluding at the time at which **commencement of the operation of fitting it to the UAV** begins.

**unit**

A part or an assembly of parts (including any sub-assemblies) of the **UAV** which has been assigned an **overhaul life** as a part or an assembly.

**vicariously liable**

The liability of one person for the acts or omissions of another.

**war**

War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

**General interpretation**

- (a) The singular includes the plural and vice versa, and the masculine includes the feminine and neutral;
- (b) "Including" and "include(s)" and "inclusive" mean without limitation;
- (c) Any obligation or payment owed by the **insurer** shall in every case be subject to the limits shown in the **schedule**;
- (d) Any reference to legislation includes any similar or related law, ordinance or regulation or requirements or, any amendments, and any rules or regulations or executive orders or directions issued thereunder, or by local or other agencies or similar bodies;
- (e) The descriptions in the headings and subheadings of this **policy** are solely for convenience and form no part of the terms and conditions of coverage; and
- (f) All or part of any provision of this **policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

## Section 1

### Physical Loss of or Damage to UAV

#### Coverage

The **insurer** will pay **you** for physical loss of or damage to the **UAV**, inclusive of theft, occurring during the **period of insurance** and arising from the **activities covered**, whilst in **flight**, on the ground or in **transit** up to the **insured value**, less any applicable **deductible**.

#### Exclusions applicable to this section

This **section** does not apply to:

- 1 loss or damage caused by:
  - (a) wear and tear or deterioration;
  - (b) defect, malfunction, breakdown or failure howsoever caused in any **unit** of the **UAV** and the consequences thereof within that **unit**. However, physical loss of or damage to the **UAV** consequent upon such defect, malfunction, breakdown or failure is covered.
- 2 loss of or damage to an engine **unit** caused by the ingestion of stones, grit, dust, sand, ice or any corrosive or abrasive material or any other substance which has a progressive or cumulative engine damage effect. Such loss or damage shall be regarded as wear and tear or deterioration and shall be excluded. However, ingestion causing sudden loss or damage to the **UAV** which is attributable to a single identifiable incident is covered.
- 3 loss or damage caused by:
  - (a) rot, fungus, mould, vermin, infestation, rust, oxidation, warping or shrinkage;
  - (b) dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire;
  - (c) seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
- 4 depreciation in value of the **UAV**.
- 5 theft or attempted theft of the **UAV**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and the **UAV** is kept out of sight at all times.
- 6 loss or damage occurring whilst the **UAV** is being used for any illegal activity or whilst at air shows or participating in air racing events / meets or for any activity other than the **activities covered**.
- 7 loss or damage occurring whilst the **UAV**, when in **transit** or not in use, is not packed in accordance with manufacturer guidelines or in a securely locked and padded UAV flight case.
- 8 loss or damage occurring whilst the **UAV** is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the **UAV**, unless due to **force majeure**.
- 9 claims arising from **your** failure to take all reasonable care / measures to protect the **UAV** at all times and to maintain / operate it in good and proper condition in accordance with the manufacturer's guidelines.
- 10 loss or damage caused by maintenance, repair, renovation, restoration, modification or any similar process except where the **UAV** is being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions **you** are **vicariously liable** or otherwise responsible or liable.
- 11 scratching / fogging / misting of camera lenses and / or mechanical derangement of camera equipment unless the **UAV** suffers damage at the same time, arising from the **activities covered**.

12 loss or damage caused by any **computer virus**. However, this exclusion shall not apply where Extension 4, Cyber Extension - Loss of Digital Assets is shown in the **schedule** as being operative.

13 any indirect losses which result from the **occurrence**, incident or circumstances which caused **you** to claim under this **section** and which includes any loss of use or expense incurred through **your** inability to operate the **UAV** following damage.

14 loss or damage caused by:

- (a) **war, terrorism or confiscation;**
- (b) **strikes, malicious acts or hi-jack;**

which would include whilst the **UAV** is outside of **your** control by reason of any of the above perils. However, exclusion (b) above shall not apply where Extension 1, Strikes, Malicious Acts and Hi-jack Coverage is shown in the **schedule** as being operative.

### Conditions applicable to this Section

#### 1 Dismantling, Transport and Repairs

If the **UAV** is damaged:

- (a) no dismantling or repairs shall be commenced without the consent of the **insurer** except whatever is necessary in the interests of safety, or to prevent further damage, or to comply with orders issued by the appropriate authority;
- (b) the **insurer** will pay only for repairs and transport of labour and materials by the most economical method unless the **insurer** agrees otherwise with **you**.

#### 2 Partial Loss

If the **insurer** settles a claim other than on the basis of a **total loss** they will pay the cost of repairing the **UAV** less:

- (a) any applicable **deductible** and / or
- (b) an amount for wear and tear of any **unit**. This will be calculated as the proportion of the **overhaul cost** of any **unit** repaired or replaced as the used time bears to the **overhaul life** of the **unit**.

#### 3 Total Loss

If the **insurer** settles a claim on the basis of a **total loss** they will pay the **insured value** of the **UAV** less any applicable **deductible**.

#### 4 Salvage

If the **insurer** settles a claim on the basis of a **total loss**, the respective **UAV** will no longer be insured under this **policy**, and the **insurer** may take the **UAV** together with all documents of record, registration and title as salvage.

#### 5 Right of Ownership

Unless the **insurer** agrees in writing to take the **UAV** as salvage the **UAV** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.

#### 6 Records

**You** shall maintain all log books and other records which shall include the number of hours of **continuation flying** in connection with the **UAV** and produce them to the **insurer** or their agents on request.

## Section 2

### Physical Loss of or Damage to UAV Spares

#### Coverage

The **insurer** will pay **you** for physical loss of or damage to **UAV spares**, inclusive of theft, occurring during the **period of insurance**, being **your** property or the property of others for which **you** are responsible, whilst such property is in **your** care, possession, custody or control on the ground, or whilst in **transit** by any conveyance, up to the limit as shown in the **schedule**, less any applicable **deductible**.

#### Exclusions applicable to this Section

This **section** does not apply to:

- 1 loss of or damage to property occurring at any time after the **commencement of the operation of fitting it to or placing it on board the UAV** to which it is destined.
- 2 loss of or damage to an engine occurring during the running or testing thereof.
- 3 loss or damage caused by mechanical or electrical derangement.
- 4 loss or damage caused by wear and tear or deterioration.
- 5 loss or damage caused by:
  - (a) rot, fungus, mould, vermin, infestation, rust, oxidation, warping or shrinkage;
  - (b) dryness or humidity, or exposure to light or extreme temperatures, unless this results from high winds of destructive nature, rainstorm, hailstorm or snowstorm or fire;
  - (c) seepage, pollution or contamination, however such seepage, pollution or contamination may have been caused.
- 6 depreciation in value of the **UAV spares**.
- 7 theft or attempted theft of the **UAV spares**:
  - (a) by **you** or with **your** knowledge or consent; or
  - (b) by others. However, theft by others involving violent or forcible entry to or exit from a building, shipping container, gated compound secured with a closed shackle padlock, or locked boot, trailer, roof box or locked compartment of a motor vehicle, is covered under this **section** provided all security measures on the motor vehicle, trailer or roof box are in force at the time of the theft or attempted theft and **UAV spares** are kept out of sight at all times.
- 8 loss or damage caused by maintenance, repair, renovation, restoration, modification or any similar process except where the **UAV spares** are being cleaned, repaired, inspected, worked on or maintained by a third party for whose acts or omissions **you** are **vicariously liable** or otherwise responsible or liable.
- 9 claims arising from **your** failure to take all reasonable care / measures to protect the **UAV spares** at all times.
- 10 unexplained loss or disappearance or inventory shortage of **UAV spares**.
- 11 loss or damage occurring whilst the **UAV spares**, when in **transit** or storage, are not packed in accordance with manufacturer guidelines or in a securely locked and padded UAV spare parts storage case.
- 12 loss or damage caused by:
  - (a) **war, terrorism or confiscation**;
  - (b) **strikes, malicious acts or hi-jack**which would include whilst the **UAV spares** are outside of **your** control by reason of any of the above perils. However, exclusion (b) above shall not apply where Extension 1, Strikes, Malicious Acts and Hi-jack Coverage is shown in the **schedule** as being operative.

### Conditions applicable to this Section

#### 1 Spares records

**You** shall keep a proper record of all items of **UAV spares** from time to time insured under this **section** and of the value of each item.

#### 2 Rights of Ownership

Unless the **insurer** elects to take the **UAV spares** as salvage the **UAV spares** shall at all times remain as **your** property and **you** shall have no right of abandonment to the **insurer**.

#### 3 Salvage

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this **section** shall be applied as if recovered or received prior to that settlement and all necessary adjustments shall be made by the parties thereto.

### Section 3

#### Legal Liability to Third Parties

##### Coverage

The **insurer** will pay to or on behalf of **you** all sums for which **you** shall become legally liable to pay, and shall pay, as compensatory damages for:

- 1 **bodily injury** and / or **property damage** to third parties;
- 2 **invasion of privacy**;
- 3 **noise liability**;

caused by an **occurrence** arising out of the use of the **UAV** during and as part of the **activities covered** subject to the applicable limits or **sub-limits** as shown in the **schedule**, less any applicable **deductible**.

This **section** includes a claim for compensatory damages by a third party against any of **your** sub-contractors, outsourcers, employees or volunteer workers when they are acting on **your** behalf and for whom **you** are **vicariously liable** or otherwise responsible or liable.

- 4 **war and related perils**;

Coverage 1 of this **section** includes claims arising from **war, strikes, malicious acts, terrorism, confiscation** and **hi-jack** which would also include whilst the **UAV** is outside of **your** control by reason of any of these perils.

##### (a) Automatic Termination

Coverage 4 shall terminate automatically in the following circumstances:

- (i) upon the outbreak of war (whether there be a declaration of war or not) between any two (2) or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America;
- (ii) in respect of **war**, upon the hostile detonation of any weapon of war employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the **UAV** may be involved; or
- (iii) the **UAV** is requisitioned for either title or use upon such requisition.

Provided that if the **UAV** is in the air when (a) (i), (ii) or (iii) occurs, then Coverage 4 (unless otherwise cancelled, terminated or suspended) shall continue in respect of such **UAV** until completion of its first landing thereafter.

##### (b) Review and Cancellation

- (i) The **insurer** may give notice to review premium and / or geographical limits – such notice to become effective on the expiry of seven (7) days from 23:59 hours New Zealand Standard Time on the day on which notice is given.
- (ii) Following a hostile detonation as shown in (a) (ii) above, the **insurer** may give notice of cancellation in respect of one or more parts of the coverage provided for **strikes, malicious acts, terrorism, confiscation** and **hi-jack**, such notice to become effective on the expiry of forty-eight (48) hours from 23:59 hours New Zealand Standard Time on the day on which notice is given.
- (iii) Coverage 4 may be cancelled by either the **insurer** or **you** giving notice to become effective on the expiry of seven (7) days from 23:59 hours New Zealand Standard Time on the day on which such notice is given.

##### (c) Notices

All notices in respect of Coverage 4 shall be in writing via **your insurance broker**.

The limit of the **insurer's** liability for Coverages 2, 3 and 4 shall be the applicable **sub-limit** as shown in the **schedule**, each **occurrence** and in the **annual aggregate**. This **sub-limit** is part of, and not in addition to, the applicable **section** limit for Coverage 1 above.

### Exclusions applicable to this Section

This **section** does not apply to:

- 1 **property damage** to property owned, rented, leased or occupied by, or whilst in the care, custody or control of, or whilst being handled, serviced or maintained by **you** or any of **your** employees.
- 2 the **UAV** whilst being used for any illegal activity or for any activity other than **activities covered**.
- 3 **bodily injury** or **property damage** occurring whilst the **UAV** is landing on or taking off or attempting to do so from a place which does not comply with the recommendations laid down by the manufacturer of the **UAV**, unless such non-compliance is due to **force majeure**.
- 4 liability assumed by **you** by agreement under any contract unless such liability would have attached to **you** in the absence of such agreement.
- 5 any claims caused by:
  - (a) pollution and contamination;
  - (b) electrical and electromagnetic interference;
  - (c) transmission of a **computer virus**.
- 6 **bodily injury** or **property damage** caused by any mechanically propelled vehicle which **you** may cause or permit any other person to use on the road in such a manner as to render them responsible for insurance under any domestic or international law appertaining to road traffic, or where no such law exists, whilst such vehicle is on any public highway.
- 7 liability arising out of any air meet, air race, or air show, nor any stand used for the accommodation of spectators in connection therewith, unless agreed otherwise by the **insurer**.
- 8 **bodily injury** or **property damage** arising out of construction of, demolition of or alterations to buildings, runways, or installations by **you** or **your** contractors or sub-contractors (other than normal maintenance operations) unless agreed otherwise by the **insurer**.
- 9 **bodily injury** or **property damage** arising out of any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied, or distributed by **you** or **your** employees after such goods or products have ceased to be in the possession or under **your** control.
- 10 **bodily injury** to or **property damage** sustained by any person, who at the time of sustaining such injury or damage is engaged in **your** service or acting on **your** behalf, or liability for which **you** or **your** insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law or any similar law.
- 11 the cost of making good any faulty workmanship for which **you**, **your** employees, contractors or subcontractors may be liable (but this limitation shall not exclude resulting damage arising out of such faulty workmanship).
- 12 liability arising out of the operation of an airfield control tower unless agreed otherwise by the **insurer**.
- 13 claims arising from **your** failure to take all reasonable care / measures to protect the **UAV** at all times and to maintain / operate it in good and proper condition in accordance with the manufacturer's guidelines.
- 14 any claims caused by **war**, **strikes**, **malicious acts**, **terrorism**, **confiscation** and **hi-jack** in respect of Coverages 2 and 3.

### Conditions applicable to this Section

#### 1 Limitation of Liability

If the **insured** comprises of more than one party under this **section**, whether by **endorsement** or otherwise, the total liability of the **insurer** in respect of any or all insureds shall not exceed the applicable limit as shown in the **schedule**.

#### 2 Records

**You** shall maintain all log books and other records which shall include the number of hours of **continuation flying** in connection with the **UAV** and produce them to the **insurer** or their agents on request.

## General Exclusions

The following exclusions apply to this **policy** in addition to specific exclusions as contained in each individual **section**.

This **policy** does not apply to:

- 1 (a) any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;  
(b) any products or services which include, involve or relate in any way to anything in (a) above, or the storage, handling or disposal of anything in (a) above;  
(c) all operations carried out on any site or premises on which anything in (a) or (b) above is located.  
(d) any claims where the number of **UAV** in the air at any one time exceeds the maximum number shown in the **schedule**.
- 2 any hostile detonation of any weapon of war employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.
- 3 any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
- 4 loss of use of the **UAV/UAV spares** or interruption of **your** business (including any loss of income or of contract) arising from the physical loss of or damage to **UAV/UAV spares** or liability or any other type of loss covered by this **policy**.
- 5 any claims caused by:
  - (a) the actual, alleged or threatened presence of asbestos in any form, or any material or product containing, or alleged to contain, asbestos; or
  - (b) any obligation, request, demand, order, or statutory or regulatory requirement that **you** or others test for, monitor, clean up, remove, contain, treat, neutralise, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

Notwithstanding any other provisions of this **policy**, the **insurer** will have no duty to investigate, defend or pay defence costs in respect of any claim excluded in whole or in part under paragraphs (a) or (b) of this exclusion.

- 6 loss of or damage to the **UAV** or **UAV spares** or **bodily injury** or **property damage** to third parties or any **flight** which occurs over or within the following territories, unless as a result of **force majeure** or where the **insurer** has agreed otherwise prior to the commencement of any such **flight**:

Algeria	Somalia	Russia
Burundi	The Republic of Sudan	Iran
Cameroon	South Sudan	Iraq
Central African Republic	Colombia	Lebanon
Democratic Republic of Congo	Peru	Libya
Ethiopia	Afghanistan	Egypt
Kenya	North Korea	Syria
Mali	Pakistan	Yemen
Mauritania	Georgia	USA and protectorates
Nigeria	Ukraine	

## General Conditions

The following conditions apply to this **policy** in addition to specific conditions as contained in each individual **section**.

### 1 Two (2) or more UAV

When two (2) or more **UAV** are insured, the terms of this **policy**, including the limits as shown in the **schedule**, shall apply separately to each **UAV**, unless otherwise shown.

### 2 Maximum Flight Time

No single **UAV** will exceed five hundred (500) hours' flying time during any one twelve (12) month period.

If the **period of insurance** is greater than twelve (12) months, the maximum of five hundred (500) hours will be increased proportionately in the ratio that the period in excess of the **period of insurance** bears to the **period of insurance**.

### 3 Assignment

**Your** rights under this **policy** may not be assigned without the **insurer's** prior written agreement, such agreement not to be unreasonably withheld.

### 4 Other Insurance

(a) The coverage provided by Sections 1 and 2 of this **policy** shall be proportional with any other valid and collectible insurance available to **you**.

(b) The coverage afforded by Section 3 of this **policy** shall be excess insurance over any other valid and collectible insurance available to **you**.

### 5 Subrogation

The **insurer** will be entitled whether before or after paying **your** claim to conduct in **your** name the defence or settlement of any claim or to take action to seek recovery or secure indemnity from any third party in respect of any claim covered by this **policy** and will have full discretion in the conduct of any such proceedings.

**You** shall at all times provide all information and assistance as the **insurer** or any person authorised by the **insurer** may reasonably require.

### 6 Premium

The premium for this **policy** is as shown in the **schedule**.

If any part of the premium as shown in the **schedule** is shown as being adjustable **you** shall within one (1) month of the expiry of the **period of insurance** or such further periods as the **insurer** may allow, furnish such details as the **insurer** may require and the premium for such period will be adjusted accordingly subject to any minimum premium(s) that may be required by the **insurer**.

If any part of the premium is calculated on estimates, **you** shall keep accurate records containing all particulars relating thereto and shall permit the **insurer** or their representatives to inspect such records at any time.

It is expressly warranted that **you** will pay the premium (or any instalment) in full on or before the date as agreed, and the **insurer** will not be liable under this **policy** for any loss, damage or liability occurring during any period in which **you** are in breach of this term.

### 7 Claims Notification

**You** must give notice as soon as reasonably practicable of any claim or potential claim or **occurrence**, incident or circumstance likely to give rise to a claim under this **policy** to the **insurer** via **your insurance broker** or directly to the **insurer** at the address(es) specified in the **schedule**. In all cases **you** shall:

- (a) provide full particulars in writing of such claim or potential claim or **occurrence**, incident or circumstance likely to give rise to a claim, to the **insurer** at the address(es) specified in the **schedule** and immediately forward any letters or documents relating thereto comprising of all log books and other records in connection

with the **UAV** and / or **UAV spares** and also, where required by the **insurer**, proof of a New Zealand Civil Aviation Act 1990 Rules Part 102 Unmanned Aircraft Operator Certificate (UAOC) and / or certification or confirmation of completion of a training course with a Civil Aviation Authority (CAA) approved organisation or ten (10) hours or more of UAV flying experience;

- (b) give notice of any impending prosecution;
- (c) render such further information and assistance as the **insurer** may reasonably require;
- (d) not act in any way to the detriment or prejudice of the interests of the **insurer**; and
- (e) not make any admission of liability or payment or offer or promise of payment without the written consent of the **insurer**.

In the event of theft of the **UAV** which is likely to give rise to a claim under this **policy**, **you** must also report details to the police as soon as is reasonably practicable and provide a copy of the official police report / crime number to the **insurer** at the time of claim. If the **UAV** is found undamaged before the **insurer** has paid any claim in relation to that theft, then the **insurer** will pay the cost of returning it to **you** by the most economic means.

## 8 Payment of Costs

The **insurer** will pay any legal costs and expenses incurred with their written consent in defending any action which may be brought against **you** in respect of any claim for compensatory damages. In no event shall the **insurer** be liable for or pay damages and / or legal costs and expenses (separately or combined) in excess of the total limit of liability shown in the **schedule**.

However, should any amount agreed or awarded in respect of such claim exceed the total limit shown in the **schedule**, the liability of the **insurer** in respect of legal costs and expenses shall be limited (within the total limit) to such proportion of the said legal costs and expenses as the total limit bears to the amount paid as damages.

The **insurer** shall not be obliged to pay any legal costs and expenses incurred after the total limit of liability shown in the **schedule** has been exhausted and shall be entitled to return the control of any legal proceedings (without any further liability of any sort) to **you**, which **you** will accept without delay.

## 9 Fraudulent Claims

- (a) If the **insurer** establishes that **you** have made a fraudulent claim under this **policy**, the **insurer**:
  - (i) is not liable to pay the claim; and
  - (ii) may recover from you any sums paid by the **insurer** to **you** in respect of the claim; and
  - (iii) may by notice to **you** treat the **policy** as having been terminated with effect from the time of the fraudulent act, in writing to **you** at **your** address shown in the **schedule** via **your insurance broker**.
- (b) If the **insurer** exercises its right under clause (a) (iii) above:
  - (i) the **insurer** shall not be liable to **you** in respect of a relevant event occurring after the time of the fraudulent act; and
  - (ii) the **insurer** need not return any of the premiums paid.

## 10 Address for Service

Delta Insurance New Zealand Limited, as agent for and on behalf of the **insurer**, will accept notification of any claim or potential claim or **occurrence**, incident or circumstance upon presentation to the address(es) specified in the **schedule**.

## 11 Several Liability

- (a) The liability of an underwriter under this Policy is several and not joint with other underwriters party to this **policy**. An underwriter is liable only for the proportion of liability it has underwritten. An underwriter is not jointly liable for the proportion of liability underwritten by any other underwriter; nor is an underwriter otherwise responsible for any liability of any other underwriter that may underwrite this **policy**.
- (b) The proportion of liability under this **policy** underwritten by an underwriter (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.
- (c) In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an underwriter. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion; nor is any member otherwise responsible for any liability of any other underwriter that may underwrite this **policy**. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.
- (d) Although reference is made at various points in this clause to "this **policy**" in the singular, where the circumstances so require this should be read as a reference to policies in the plural.

## 12 GST

Where the **insured** is liable to pay tax under section 5 (13) of the Goods and Services Tax Act 1985 (or any statutory amendment or re-enactment of the section or Act) upon receiving any indemnity payment under this **policy**, the **insurer** will indemnify the **insured** for the costs of that tax. The indemnity under this General Condition 12 is payable by the **insurer** in addition to the applicable limits or **sub-limits** as shown in the **schedule**, respectively.

## Extensions applicable to this Policy

:

Subject to all **policy** terms, conditions, limitations and exclusions, the following areas of coverage form part of this **policy** up to the applicable limit shown in the **schedule** less any applicable **deductible** shown in the **schedule**:

### Extension 1 Strikes, Malicious Acts and Hi-jack Coverage

This Extension 1 attaches to Sections 1 and 2 of this **policy** (Physical Loss of or Damage to UAV and Physical Loss of or Damage to UAV Spares).

This **policy** is extended to cover claims caused by the following:

- 1 **strikes**;
- 2 **malicious acts**; and
- 3 **hi-jack**.

Provided always that the insurance provided by this Extension 1 may be cancelled by the **insurer** giving notice effective on the expiry of seven (7) days from midnight New Zealand Standard Time on the day on which notice is issued.

### Extension 2 UAV Operators Indemnity

This Extension 2 attaches to Section 3 of this **policy** (Legal Liability to Third Parties).

This Extension 2 shall cover, as if they were **you**, any **UAV operator** authorised by **you** under the terms of Section 3 in respect of liability arising out of the operation of the **UAV**, but not so as to increase the liability of the **insurer** beyond the amount which would otherwise have been payable under this Extension 2 had the liability been incurred by **you**.

Provided always that:

- 1 at the time of any **occurrence** giving rise to a claim under this Extension 2 the said **UAV operator**:
  - (a) shall as though they were **you**, observe, fulfil and be subject to the terms, conditions and exclusions contained in this **policy**, and
  - (b) is not entitled to indemnity under any other insurance.
- 2 There shall be no indemnity under this Extension 2 in respect of claims made against the **UAV operator** by **you** and / or with respect to the **UAV**.

### Extension 3 Liability to UAV Operators

This Extension 3 attaches to Section 3 of this **policy** (Legal Liability to Third Parties).

Coverage shall extend to include **your** liability in respect of the **UAV operator**, except liability required to be insured under the terms of any employers' liability or workers compensation legislation or any similar legislation.

#### **Extension 4**

##### **Cyber Extension – Loss of Digital Assets**

This Extension 4 attaches to Section 1 of this **policy** (Physical Loss of or Damage to UAV).

The **insurer** will reimburse **you** for **digital asset loss** as a direct result of damage, alteration, corruption, distortion, theft, misuse, or destruction of **your digital assets** directly caused by a **computer virus**, whether through **malicious acts** or non-malicious acts.

This Extension 4 does not apply to:

- 1 restoring, updating, or replacing **digital assets** to a level beyond that which existed prior to when any damage, alteration, corruption, distortion, theft, misuse, or destruction occurred;
- 2 contractual penalties or pre-agreed or consequential damages or loss of goodwill, loss of business, loss of anticipated profits or savings and all other pure economic loss, or any consequential loss;
- 3 any liability to third parties for whatever reason, including legal costs and expenses of any type;
- 4 fines or penalties imposed by law; or
- 5 economic or market value of **digital assets**.

The following additional definitions apply to this Extension 4:

##### **digital assets**

Those images or data captured by use of the **UAV**. **Digital assets** do not include any other images or data either owned by or in **your** care, custody or control.

##### **digital asset loss**

The reasonable and necessary expenses and costs incurred by **you** to replace, recreate or restore **digital assets** to the same state and with the same content as immediately before damage, alteration, corruption, distortion, theft, misuse, or destruction occurred.

## Warranties applicable to this Policy

It is expressly warranted that the following must be satisfied in full before the **insurer** can be liable or for any applicable coverage to apply.

(a) Cover shall be suspended until the breach of warranty is remedied, in respect of the following (a) 1-4:

1 where the **activities covered** are **commercial** including **continuation flying**:

- **you** must either comply with New Zealand Civil Aviation Act 1990 Rules Part 101 or be in possession of a valid New Zealand Civil Aviation Act 1990 Rules Part 102 Unmanned Aircraft Operator Certificate (UAOC); and
- all **UAV operators**, as a minimum requirement, must have successfully completed a training course with a Civil Aviation Authority (CAA) approved organisation.

2 where the **activities covered** are **business** including **continuation flying**:

- all **UAV operators**, as a minimum requirement, must have successfully completed a training course with a Civil Aviation Authority (CAA) approved organisation or have a minimum of ten (10) hours UAV flying experience.

3 the **UAV operator** when taking part in a flight assessment examination with a Civil Aviation Authority (CAA) approved training organisation is under the supervision of the examiner(s) concerned at all times.

4 all **flights** to be conducted in accordance with Civil Aviation Act 1990 UAV regulations or rules and /or local authority regulations or bylaws or Department of Conservation requirements. In respect of **flights** within New Zealand where the **UAV** exceeds twenty-five (25) kg, this includes the regulatory requirements for **you** to possess a valid New Zealand Civil Aviation Act 1990 Rules Part 102 Unmanned Aircraft Operator Certificate (UAOC) prior to any **flight**.

If there are no regulations or rules and / or local authority regulations or bylaws or Department of Conservation requirements in place at the time of **flight** then such **flight** must be conducted in accordance with the following:

- at a height not exceeding four hundred (400) feet above ground level;
- at a distance not beyond the direct visual line of sight of the **UAV operator** at the time of operating the **UAV**;
- not overhead any third party person, vessel, vehicle or structure, without consent from the third party person or property owner or person in charge of an area prior to the flight;
- daytime flying only.

(b) Cover shall be suspended until the breach of warranty is remedied, in respect of the following (b) 5-7:

5 each **UAV** will not exceed thirty (30) kg.

6 any **UAV** with inbuilt 'Return to Home' function will have it set to 'on' at all times except where the **UAV** is over water when it is set to return to a suitable fixed location on land or vessel.

7 the **UAV** is airworthy at the commencement of each **flight**.